

EUCALYPTUS GROVE HOMEOWNERS' ASSOCIATION

ANNUAL BUDGET REPORT & ANNUAL POLICY STATEMENT

		"Projected"			
	2024	2023	2022	2021	2020
	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
-- REVENUES --					
OWNER ASSESSMENTS	\$1,129,848.00	\$970,896.00	\$852,461.55	\$838,786.05	\$798,180.00
SPECIAL ASSESSMENT	48,330.00	0.00	0.00	0.00	0.00
OTHER INCOME	0.00	800.00	1,348.46	1,370.00	891.70
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TOTAL REVENUE	\$1,178,178.00	\$971,696.00	\$853,810.01	\$840,156.05	\$799,071.70
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-- EXPENDITURES --					
CLEANING	\$17,000.00	\$16,000.00	\$12,530.00	\$12,430.00	\$10,010.00
CABLE-INTERNET	2,000.00	2,800.00	N/A	N/A	N/A
ELECTRIC	22,000.00	19,000.00	15,866.26	14,252.32	13,459.19
LANDSCAPING	82,000.00	78,000.00	65,719.00	70,728.00	70,728.00
LANDSCAPING SUPPLY/EXTRAS	20,000.00	13,000.00	31,701.82	23,083.95	17,335.10
MANAGEMENT	40,332.00	38,592.00	36,408.00	35,004.00	34,308.00
PAINTING	2,000.00	2,000.00	1,520.00	0.00	0.00
POOL MAINT & SUPPLIES	23,000.00	20,000.00	20,274.98	18,475.80	14,604.51
POOL HEATING (GAS)	15,000.00	15,000.00	10,764.73	9,633.96	7,352.46
REPAIRS & MAINT	75,000.00	65,000.00	96,348.19	38,404.71	67,127.61
RUBBISH REMOVAL	83,000.00	78,000.00	73,160.06	69,225.81	64,611.66
PATROL/ALARM SERVICES	1,000.00	0.00	0.00	0.00	0.00
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SUPPLIES	5,000.00	7,000.00	4,189.56	3,005.26	3,021.21
WATER & SEWER	34,000.00	32,000.00	34,083.59	27,663.18	23,982.85
INSURANCE	185,000.00	179,000.00	119,270.00	105,562.26	98,817.17
PEST CONTROL	6,000.00	6,000.00	3,800.00	4,310.00	4,416.20
PROFESSIONAL FEES	10,000.00	4,000.00	6,332.00	2,834.00	(1,879.70)
TELEPHONE (ENTRY GATE)	1,300.00	1,200.00	971.88	921.47	892.18
MISCELLANEOUS	3,000.00	3,000.00	1,351.29	172.88	1,749.90
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TOTAL OPERATING EXPENSES	\$626,632.00	\$579,592.00	\$534,291.36	\$435,707.60	\$430,536.34
Plus: Amount Added to Reserve	551,546.00	392,104.00	319,518.65	404,448.45	368,535.36
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TOTAL FUNDS NEEDED	\$1,178,178.00	\$971,696.00	\$853,810.01	\$840,156.05	\$799,071.70
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CHANGE IN RESERVE:					
Total Funding	\$1,178,178.00	\$971,696.00	\$853,810.01	\$840,156.05	\$799,071.70
Plus: Interest Income	76,000.00	75,000.00	11,512.11	11,287.97	37,333.07
Less: Operating Expenses	(626,632.00)	(579,592.00)	(534,291.36)	(435,707.60)	(430,536.34)
Income Taxes	(17,000.00)	(5,398.00)	0.00	(6,700.00)	(20,704.00)
Reserve Expenditures	(1,586,100.00)	(274,250.00)	(309,126.48)	(242,570.29)	(874,045.35)
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NET RESERVE Increase (Decrease)	(\$975,554.00)	\$187,456.00	\$21,904.28	\$166,466.13	(\$488,880.92)
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Item #1. MONTHLY FEES: In order to meet this budget, the monthly fees (assessments) will be:

(179 Units-13 Bldgs) **\$526.00** **EFFECTIVE JANUARY 1, 2024**
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Note: Late charges will apply after 30 days-minimum \$10 or 1.5% under \$1,000 or 1% of past due amount over \$1,000.

Item #2. SPECIAL ASSESSMENT: In order to repay funds borrowed from the reserves in 2023 and build the Reserves, a Special Assessment will be due on June 1, 2024 in the amount of:

\$270.00 **DUE JUNE 1, 2024**

"Projected"

Item #3. FUNDS AVAILABLE:

12/31/23	Community West Bank	\$200,000.00		
	Treasury Bills	2,350,000.00		
	Operating Account	5,000.00	TOTAL	\$2,555,000.00
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Item 4. MAJOR REPAIRS AND REPLACEMENTS: The following cost estimates and reserve analysis is based on a reserve study which is reviewed by the Board of Directors each year to account for inflation and planning changes:

ITEM-Expected Life	EXPECTED LIFE	DATE DUE	EXPECTED COST	RECOMMENDED IN RESERVE 12/31/23	BALANCE NEEDED	2024 ADDITIONS	PROJ. BAL. 12/31/24
Asphalt Seal Coat/Repair	3	2024	27,700	27,700	0	(18,467)	9,233
Cabana Shower Tile	30	2024	10,500	10,500	0	(10,150)	350
Concrete Repairs	5	2024	68,300	68,300	0	(54,640)	13,660
Mid-Landings-Trex	30	2024	7,400	7,400	0	(7,153)	247
Mailbox Pagodas	30	2024	42,000	42,000	0	(40,600)	1,400
Lights-Carport	25	2024	13,400	13,400	0	(12,864)	536
Paint Metal Fence & Rail	4	2024	6,700	6,700	0	(5,025)	1,675
Roof - Metal Carport	30	2024	289,800	289,800	0	(280,140)	9,660
Stair Landing Reseal	5	2024	29,000	29,000	0	(23,200)	5,800
Stair Landing Resurface	20	2024	55,500	55,500	0	(52,725)	2,775
Termite Treatment (7624)	15	2024	9,300	9,300	0	(8,680)	620
Termite Treatment (7636)	15	2024	9,300	9,300	0	(8,680)	620
Termite Treatment (7640)	15	2024	9,300	9,300	0	(8,680)	620
Gate-Keypads	15	2024	5,000	5,000	0	(4,667)	333
Dryrot Repairs	4	2024	504,000	504,000	0	(378,000)	126,000
Paint Wood/Metal Trim	4	2024	77,200	77,200	0	(57,900)	19,300
Paint - Wood Siding	6	2024	176,400	176,400	0	(147,000)	29,400
Paint Carports	6	2024	100,800	100,800	0	(84,000)	16,800
Pool Heater	8	2024	4,800	4,800	0	(4,200)	600
Sub-Totals			\$1,340,800	\$1,340,800	\$0	(\$1,118,571)	\$222,229

Sub-Totals (Previous Pg):			1,340,800	1,340,800	0	(1,118,571)	222,229
Landscape Refurbish	3	2024	92,400	92,400	0	(61,600)	30,800
Tree Trimming	2	2024	47,300	47,300	0	(23,650)	23,650
Pool & Spa Pumps	8	2025	6,900	6,038	863	863	6,900
Siding Replacement	20	2025	477,200	453,340	23,860	23,860	477,200
Spa Retile	40	2025	9,100	8,873	228	228	9,100
Termite Treatment (7626)	15	2025	9,300	8,680	620	620	9,300
Structural Plumbing-Part	35	2026	115,500	108,900	6,600	3,300	112,200
Cabana Bath Remodal	30	2026	10,500	9,800	700	350	10,150
Key Fob Readers	12	2026	8,800	7,333	1,467	733	8,067
Pool Refiberglass	18	2026	17,900	15,911	1,989	994	16,906
Spa Heater	8	2026	4,800	3,600	1,200	600	4,200
Paint Front Wood Fence	4	2027	7,200	1,800	5,400	1,800	3,600
Gates - Vehicle Roll	30	2027	9,700	8,730	970	323	9,053
Lights-Medium Bollard	25	2027	13,100	11,528	1,572	524	12,052
Pool Filter	12	2027	2,600	1,950	650	217	2,167
Structural Plumbing-Bal.	35	2028	642,600	569,160	73,440	18,360	587,520
Front Gate Wiring	10	2028	9,500	5,700	3,800	950	6,650
Gate Operators-(Roll)	10	2028	8,400	5,040	3,360	840	5,880
Pool Decking	20	2028	16,400	13,120	3,280	820	13,940
Pool Tile/Coping	20	2028	6,100	4,880	1,220	305	5,185
Stair Rails (3.5')	30	2029	20,000	16,667	3,333	667	17,333
Spa Filter	12	2029	2,400	1,400	1,000	200	1,600
Bridge Repair	10	2030	17,000	6,800	10,200	1,700	8,500
Intercom-Front Gate	15	2031	6,500	3,467	3,033	433	3,900
Roof Shingle 7626, 30 & 34	25	2031	122,900	88,488	34,412	4,916	93,404
Balcony Inspections	9	2032	90,000	10,000	80,000	10,000	20,000
Exercise Rm Equipment	10	2032	21,000	4,200	16,800	2,100	6,300
Cabana Water Htr.	15	2033	2,400	960	1,440	160	1,120
Sauna Heater	20	2033	4,000	2,200	1,800	200	2,400
Termite Treatment (7628)	15	2033	9,300	3,720	5,580	620	4,340
Termite Treatment (7630)	15	2033	9,300	3,720	5,580	620	4,340
Termite Treatment (7634)	15	2033	9,300	3,720	5,580	620	4,340
Termite Treatment (7638)	15	2033	9,300	3,720	5,580	620	4,340
Patio Utility Doors	45	2034	600,000	466,667	133,333	13,333	480,000
Foundation Leveling	35	2034	113,400	81,000	32,400	3,240	84,240
Roof Shingle 7624 & 28	25	2034	81,900	49,140	32,760	3,276	52,416
Split Rail Fence	30	2034	11,300	7,533	3,767	377	7,910
Termite Treatment (7602)	15	2034	9,300	3,100	6,200	620	3,720
Termite Treatment (7606)	15	2034	9,300	3,100	6,200	620	3,720
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Sub-Totals			\$4,004,700	\$3,484,484	\$520,216	(\$1,103,812)	\$2,380,672

Sub-Totals (Previous Pg):			4,004,700	3,484,484	520,216	(1,103,812)	2,380,672
Termite Treatment (7610)	15	2034	9,300	3,100	6,200	620	3,720
Termite Treatment (7620)	15	2034	9,300	3,100	6,200	620	3,720
Termite Treatment (7632)	15	2034	9,300	3,100	6,200	620	3,720
Roof Shingle 7636 & 38	25	2035	81,900	45,864	36,036	3,276	49,140
Roof Shingle 7602, 06 & 10	25	2036	122,900	63,908	58,992	4,916	68,824
Cabana Sauna Remodal	20	2037	7,600	2,660	4,940	380	3,040
Metal Pool Fence (6')	25	2037	13,200	6,336	6,864	528	6,864
Roof Shingle 7620, 32 & 40	25	2037	122,900	58,992	63,908	4,916	63,908
Roof-Pool Cabana	25	2037	6,100	2,928	3,172	244	3,172
Exercise Rm Remodel	20	2042	31,500	3,150	28,350	1,575	4,725
Front Wood Fence	20	2042	126,000	12,600	113,400	6,300	18,900
Foundation Waterproofing	30	2042	235,200	94,080	141,120	7,840	101,920
Asphalt Overlay	25	2044	277,200	55,440	221,760	11,088	66,528
Cabana Bath Tile	30	2050	14,700	1,960	12,740	490	2,450
Lighting-Staircase LED	25	2044	16,800	3,360	13,440	672	4,032
Trex Mid-Landings	30	2046	25,200	6,720	18,480	840	7,560
Gutters/Downspouts	30	2049	83,200	13,867	69,333	2,773	16,640
Lights-Street Fixtures	30	2050	47,000	6,267	40,733	1,567	7,833
Reserve Surplus (Shortage)			-----	(1,316,915)	1,316,915	78,993	(1,237,922)
TOTALS			\$5,244,000	\$2,555,000	\$2,689,000	(\$975,554)	\$1,579,446

Item #5. Ratio of actual cash reserves on hand to estimated

cash reserves currently required

66.0%

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Projected Ratio

at Year-End

56.1%

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Item #6: Reserve Shortage per unit:

(\$7,357.07)

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(\$6,915.77)

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Item #7: Reserve Projections at year-end for next five years:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Estimated Required in Reserve	\$2,817,368	\$2,987,290	\$3,510,707	\$4,182,596	\$4,240,279
Based on Current Funding:					
Net Change In Reserves	(975,554)	59,716	404,716	527,016	(120,784)
Projected Reserve Balance	1,579,446	1,639,162	2,043,878	2,570,894	2,450,110
Projected Percentage Funded	56.1%	54.9%	58.2%	61.5%	57.8%
Based on Plan Being Implemented:					
Net Change In Reserves Per Plan	(975,554)	59,716	404,716	527,016	(120,784)
Projected Balance Per Plan	1,579,446	1,639,162	2,043,878	2,570,894	2,450,110
Projected Percentage Per Plan	56.1%	54.9%	58.2%	61.5%	57.8%

Item #8: Reserve Funding Plan: The Board of Directors has adopted a plan to fully fund the reserves with increases in assessments and/or special assessments as needed. In the event of a surplus, the Board will reduce assessments as needed to eliminate the surplus in an orderly fashion. Increases or decreases in assessments shall be effective annually on January 1st in an amount adequate to meet increased operating costs and to fund the reserves. A full reserve study plan is available upon request, and the Association shall provide the full reserve plan to any member upon request.

Item #8a: The last reserve study was prepared by J.D. Brooks (Aug, 2022) as of January 1, 2023.

Item #8b: Estimated Annual Interest Rate Earned on Reserve Funds: 3.0%
Estimated Annual Rate of Inflation: 5.0%

Item #8c: The Association has no loans as of the date hereof.

Item #9. INSURANCE: California Civil Code Section 5300 requires an annual insurance disclosure of the Association's insurance as follows:

GENERAL LIABILITY INSURANCE:	Anniversary Date: November 15th
Company: DB Insurance Company	
Coverage: \$1,000,000 Per Occurrence	Deductible: None
Umbrella: Fireman's Fund Insurance Company	
\$10,000,000 Per Occurrence	Anniversary Date: November 15th
PROPERTY INSURANCE:	Coverage: \$57,668,805
Company: DB Insurance Company	Anniversary Date: November 15th
	Deductible: \$10,000
	Water Damage Deductible: \$20,000
EARTHQUAKE INSURANCE:	Coverage: \$35,946,962
Company: Ins. Company of the West/Lloyd's of London	Anniversary Date: November 15th
	Deductible: 5% of Total Insurable Value
FIDELITY INSURANCE:	Coverage: \$3,000,000
Company: Philadelphia Insurance Company & Great American Insurance	Anniversary Date: November 15th
	Deductible: \$25,000
FLOOD INSURANCE:	The Association has none.

Note: The "Deductibles" shown generally apply, but deductibles may vary for specific types of losses or coverages. Please review the actual policies for details.

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate coverage.

NOTES:**IN 2019:**

	<u>Approx Amount</u>
1. A Reserve Study done by JD Brooks (Amt is exact)	\$1,680
2. Legal fees incurred to update the governing documents	\$6,800
3. Bldgs 7602, 7606, 7610, 7620, (7632 done in 2018 & paid this yr) were fumigated for termites (Rx)	\$38,000
4. Red Gum Eucalyptus trees fertilized & treated for psyllids	\$3,200
5. Jet Pump replaced for Jacuzzi (Rx)	\$1,400
6. Elevation survey for Bldg 7620 performed	\$1,200
7. New bike rack installed by area of Bldgs 7602 - 7610	\$1,900
8. French drain installed & side of Bldg waterproofed at 7628 next to #118	\$4,700
9. Bike rack area by 7628 enlarged and new larger bike rack installed	\$2,100
10. Sunken hole repaired between 7602 & 7620	\$2,000
11. Landscape renovated & irrigation converted to drip at creekside of 7638 & 7640 (Rx)	\$14,000
12. Concrete sidewalk replaced by west pedestrian gate	\$1,900
13. Emergency removal of Eucalyptus tree by 7620 on creek side	\$1,200
14. Landscape renovated & irrigation converted to drip at creekside of 7628 (Rx)	\$11,500
15. Dry rot repaired at 7638 #264 (Rx)	\$2,400
16. Mid landings replaced with Trex at #346 & 347, 340 & 341, 342 & 343	\$2,400
17. Dry rot repaired on balcony, subfloor, siding, trim at 103, 205 & 305 (Rx)	\$12,000
18. Eucalyptus & Melalukas trees safety pruned around Bldgs 7632 & 7634 (Rx)	\$12,600
19. Foundation of Bldg 7606 underpinned and releveled (Rx)	\$78,000
20. Gutters & downspouts replaced throughout complex (Rx)	\$72,000
21. Unit #310 reimbursed for interior damage caused by underpinning & releveling of Bldg 7606	\$3,800
22. Concrete sidewalk replaced at 7630 by #241	\$1,800
23. Board voted to allocate additions \$50,000 to gym upgrade reserve.	
24. Carport fascias replaced at 7610, 7606, 7602, & 7620 (Rx)	\$6,300
25. Staircase light fixtures replaced with LED throughout	\$13,000
26. Bulbs replaced on tall parking lot post lamps	\$2,800
27. Gutters & downspouts cleaned throughout	\$2,500
28. Dryrot repaired at 7610 after Bldg was powerwashed (Rx)	\$23,500
29. Staircase to 302 & 303 replaced (Rx)	\$4,600
30. Dryrot repaired on front fence along Hollister (Rx)	\$3,800
31. Miscellaneous dryrot repaired at 7602, 7606, & 7610 (Rx)	\$1,400
32. Miscellaneous paint touchup on new wood throughout (Rx)	\$2,400
33. Gutters & Downspouts cleaned throughout	\$3,600

IN 2020:

	<u>Approx Amount</u>
1. New key pad, closer & strike latch replaced at pedestrian gate closest to LogMein	\$1,400
2. Carport fascia replaced at 7620, 7624, 7626, 7628, 7636, 7640, 7632, 7630 (Rx)	\$21,000
3. Dry rot repaired and painted at bridge (Rx)	\$15,000
4. Eucalyptus trees treated fertilized & treated for insects	\$3,300
5. Concrete sidewalks replaced by 7624 #227 and 7632 #247 (Rx)	\$2,400
6. Light fixtures replaced at front entry gate columns	\$2,100
7. All manholes cleaned	\$4,500
8. Gutters & downspouts cleaned twice	\$7,200
9. Trees pruned throughout (Rx)	\$16,100
10. Balance paid from replacement of gutter & downspout of last year (Rx)	\$1,000
11. Lights replaced at bridge with LED fixtures	\$1,700
12. Sewer line in bathroom of meeting repaired and clean-out installed	\$4,000
13. Leak at 7636 under asphalt repaired in front of carport (reimbursement rec'd from GWD)	\$4,600

14. Layers of dead vegetation removed to reduce fire hazard along railroad tracks by 7628	\$2,300
15. Tiles replaced in women's & men's bathrooms at pool (Rx)	\$12,800
16. Jacuzzi pump replaced (Rx)	\$1,700
17. Increased chain-link fence height by 7628 along railroad tracks & installed extra section of fence	\$1,500
18. Approx 2 dozens Pyracantha planted along railroad tracks by chain link fence to discourage trespassing	\$2,500
19. Replacement of 9 burnt out bulbs on parking lot lamp posts	\$1,600
20. DG pathways refilled & recompactd at Bldgs 7630 & 7634	\$2,100
21. Auto entrance gate repaired caused by vehicle & small section of track at exit gate replaced	\$2,000
22. Gutter guard installed on all rain gutters on all buildings (Rx)	\$19,700
23. Concrete sidewalk replaced near #110 and bike parking area (Rx)	\$6,600
24. New split rail fence installed at 7620 near bike rack & along new concrete path (Rx)	\$1,500
25. All parking lamp posts replaced with LED fixtures & frosted glass (Rx)	\$45,600
26. Staicases replaced due to dry rot at # 304 & 305, 306, 308 & 309, 310 & 311, 316 & 317, 320 & 321, 322 & 323, 328, 329, 330 & 331, 358 (Rx)	\$72,600
27. Engineering & architecture fees incurred for gym remodel (Rx)	\$3,300
28. Landscape renovated at 7636 & 7638 creekside, 7610, 7632 & 7634 creekside (Rx)	\$39,400
29. Dry rot repaired at #111, 201, 204 & 304 balconies, 105 & 211 & 311 balconies (Rx)	\$18,500
30. Dryrot repaired by painters as part of prep work at 7606, 7602, 7620, 7624, 7626, 7628, 7640, 7638, 7636, 7634, 7632, 7630 (Rx)	\$432,500
31. Exterior trim painted along with newly replaced wood at 7610, 7606, 7602, 7620, 7624, 7626, 7628, 7640, 7638, 7636, 7634, 7632, 7630 (Rx)	\$148,000
32. Attorney's fees incurred to update governing documents	\$700
33. Assoc reimbursed for legal opinion from sales & refinance transactions	\$1,200
34. Entry auto gate repaired from damage caused by unknown vehicle	\$1,950
IN 2021:	<u>Approx Amount</u>
1. All buildings and fence with siding pressure washed (Rx)	\$14,500
2. Irrigation leak repaired by 7630	\$1,400
3. Dry rot repaired at staircase to #366 & #367, #340 & #341 (Rx)	\$6,800
4. Dry rot repaired and pool house repainted (Rx)	\$6,700
5. Landscape improvement - mulch applied throughout Development (Rx)	\$7,000
6. Pagoda light fixtures repaired or replaced throughout	\$2,700
7. Various locations repainted after dry rot was repaired (Rx)	\$13,500
8. Eucalyptus trees treated & fertilized	\$3,300
9. Permitting fees incurred for gym renovation (Rx)	\$1,200
10. About 20' of sewer line replaced by #104	\$1,600
11. Balance of carport fascias replaced (Rx)	\$11,500
12. Old parking lamp posts removed & concrete base poured (Rx)	\$4,200
13. Sump pump replaced & storm drainage cleared by #119	\$1,300
14. Elevated sidewalks grounded down throughout complex (Rx)	\$3,700
15. Irrigation repairs in various locations	\$3,200
16. New parking lamp posts installed throughout (Rx)	\$8,000
17. Tilted concrete staircase releveled between 7602 & 7606	\$1,800
18. Dry rot repaired at staircase to #351, 352, 353, 363, 348, 349 (Rx)	\$14,500
19. Dry rot at balcony repaired at #339 (Rx)	\$4,600
20. Carport fascias repainted (Rx)	\$15,000
21. Large euc trees pruned for safety purposes (Rx)	\$9,100
22. Architect services incurred for gym renovation (Rx)	\$1,500
23. Trash enclosure repaired and enlarged at 7630 (Rx)	\$2,100
24. Card reader relocated and new strike plate & transformer installed at gym door (Rx)	\$1,300
25. Structural engineer expense incurred for 7632 floor releveled project (Rx)	\$6,400

26. Legal opinion obtained ingres/egress restriction regarding common deck landing	\$800
27. Landscape improvement completed at 7602 & 7606 creekside (Rx)	\$16,500
28. Trash enclosure at 7630, staircase #351, #356, #347, gym wall repainted (Rx)	\$3,100
29. Rubber flooring removed in gym as part of renovation (Rx)	\$1,200
30. Expanded gym repainted as part of renovation (Rx)	\$2,900
31. Tipuanas, Jacarandas, fruitless pears trimmed and 2 large eucs removed (Rx)	\$5,200
32. Exhaust vent pipes replaced for pool & Jacuzzi heaters (Rx)	\$2,200
33. Concrete installed at all trash enclosures (Rx)	\$4,500
34. Siding & lumber purchased for dry rot repairs (Rx)	\$12,900
35. Staircase & landing replaced at #315 due to dry rot (Rx)	\$3,200
36. Gym remodel expenses incurred including expansion and update bathroom to ADA standard (Rx)	\$53,400
37. Concrete sidewalk replaced by Bldgs 7640 & 7628 (Rx)	\$7,400
38. DG pathway installed between 7610 & 7628	\$3,500
39. DG pathways repaired & reburbished at various smoking stations throughout the complex	\$3,350
IN 2022:	<u>Approx Amount</u>
1. Reserve study by JD Brooks (Amount is exact)	\$1,980
2. Small retaining wall built by the pool facing creek	\$5,500
3. Rubber flooring material purchased & installed in gym (Rx)	\$22,900
4. Landscape improvements by creekside near 7620 (Rx)	\$12,800
5. Trees pruned throughout complex (Rx)	\$34,600
6. Eucalyptus trees treated & fertilized throughout	\$3,500
7. DG path replaced between 7632 & 7634	\$12,000
8. Gutters & downspouts cleaned twice	\$8,000
9. Stuctural engineer fees & permit cost incurred for 7632 foundation project (Rx)	\$2,800
10. Carport beams replaced at 202/302, 203/303, 204/304, 320/321, 323/324, 112, 110, 333 (Rx)	\$15,100
11. Concrete repaired at various places at 7630 & 7634 (Rx)	\$5,800
12. Mulch applied throughout as part of landscape improvements (Rx)	\$7,000
13. Various electrical repairs performed to ground lights around 7620	\$2,200
14. New spa filter installed (Rx)	\$2,300
15. Clean up by 7602 from vehicle accident & plants replaced; fence & damaged light replaced	\$9,900
16. Staircase repainted at 340/341 & 315 (Rx)	\$1,800
17. Water in pool & Jacuzzi treated via reverse osmosis filtration	\$2,200
18. Trash enclosures repainted throughout (Rx)	\$4,200
19. Wood siding & trim painted ready for dry rot repairs (Rx)	\$1,700
20. Pagoda lights installed by 7628 & electrical repair by 7610 ; price included trenching & backfilling	\$4,100
21. All common doors including pool gates rekeyed to master key	\$1,500
22. Common sidewalks and landings power washed throughout	\$22,800
23. Pool house addressed officially changed from 7618 to 7622	
24. New address & directional signs made for 7620, 7624, 7626, 7628, 7640, 7630, 7622	\$3,600
25. Dry rot repaired around #263 and painted (Rx)	\$11,100
26. Trash enclosures #2, 3, 4, 5, 6, 7, 8 rebuilt with new light fixtures (Rx)	\$22,600
27. New supply of trim & siding purchased for future use (Rx)	\$10,600
28. Landscape improvements completed behind pool to 7624 bridge (Rx)	\$13,200
29. Manhole in creekbed between 7620 & 7606 hydro-jetted due to root intrusion	\$2,200
30. New exercise equipment purchased for remodeled gym (Rx)	\$21,400
40. Attorney's fees incurred for updating governing documents	\$1,400
41. New pagoda lights installed & existing ones relocated to accommodate new handicap parking stall by #101 & #102	\$4,100
42. Due to the high rate of inflation and the dramatic increase in insurance costs for 2022, the Board voted to "borrow" \$40,000 from the Reserve and repay it with an increase in monthly assessments in 2023.	

43. Gym repainted as part c Gym repainted as part of remodeling project (Rx)	\$1,100
44. Meeting Room sewer line hydro-jetted	\$1,000
45. Sidewalk replaced with lower curb by #101 & #102 (Rx)	\$8,300
46. All directional & address signs on posts repainted throughout the complex (Rx)	\$2,700
47. Siding & trim pieces primed for fence along Hollister (Rx)	\$7,000
48. Five (5) trees planted by 7640	\$2,500
49. Wooden fence along Hollister replaced from exit auto gate to the easterly neighbor (Rx)	\$72,200
50. Landscape renovated by #135 (Rx)	\$1,400
51. Staircase & landing replaced and repainted at #318 (Rx)	\$14,800
52. Dark plexi glass cover installed at pool gates	\$2,200
53. Damaged exit auto gate repaired due to bent frame	\$1,900
54. Newly replaced carport beams painted (Rx)	\$2,900
55. New bike rack installed by bldg. 7630	\$2,500
56. Sidewalk replaced by #115 (Rx)	\$8,400
IN 2023:	<u>Approx Amount</u>
1. Refund received for overpayment of new gym flooring paid last year (Rx)	(\$8,600)
2. Irrigation leak repaired by 7638	\$1,150
3. Plexi glass replaced at front pool gate for better visibility	\$1,000
4. Association hired scribe, pool & maintenance care takers through Select Staffing	
5. Emergency tree work performed during heavy storms by Bldg 7610 (Rx)	\$7,750
6. Eucalyptus trees treated & fertilized	\$3,700
7. Mulch applied throughout complex for weed suppression (Rx)	\$7,500
8. Extra siding and trim materials purchased for future repairs (Rx)	\$9,100
9. Dryrot repaired and painted to balconies at #349, #249 and unit below (Rx)	\$17,250
10. New bathroom exhaust duct installed at #259 to exit outside of bldg.	\$1,850
11. Fallen large Euc tree removed behind the pool (Rx)	\$3,700
12. New stringers painted at #318 (Rx)	\$500
13. Metal railing painted at 7634 (Rx)	\$700
14. Landscape & irrigation renovated at 7640 (Rx)	\$8,600
15. Creekbed cleaned of debris & fallen tree	\$1,500
16. Four new ground flood lights installed at 7610 & 7626	\$2,400
17. Debris removed from roofs and gutters on all bldgs. (two times)	\$8,800
18. New flood light installed at east side of Bldg 7610 to shine on dark corner	\$1,100
19. Debris removed from all carport roofs	\$6,450
20. Landscape & irrigation renovated at 7610 (Rx)	\$5,750
21. Large euc trees pruned for safety purposes at 7638 & 7640 (Rx)	\$24,600
22. Legal opinion obtained from atty regarding utility doors & plumbing pipes	\$1,200
23. Foundation repaired & floor stabilized at #246, 247, 248 (Rx)	\$51,800
24. Rusty metal handrails repaired at various locations	\$3,900
25. All 10 gas lines replaced at 7640 (Rx)	\$21,400
26. Majority of front fence along Hollister replaced and painted (Rx)	\$26,800
27. Emergency hydro-jetting of man hole in creekbed between 7602 & 7620	\$2,200
28. Bee nest removed from inside balcony wall of #329	\$1,800
29. Section of roof replaced above #304 (Rx)	\$8,400
30. All exterior elevated elements inspected as required by SB 326 (Rx)	\$89,000
31. Board determined that all individual gas lines & utility doors are Assoc responsibility	
32. In order to pay the 2023 operating expenses, the Board voted to borrow \$30,000 from the Reserves, and to repay the Reserves with a special assessment and an increase in 2024 assessments.	

REQUIRED DISCLOSURES:

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

FOR CURRENT BUDGET YEAR (Required by Civil Code Sections 5300 & 5570)

Item #'s are found on the first few pages.

1) The regular assessment per ownership interest is as per **Item #1**. Note: If assessments vary by the size or type of ownership, the assessment applicable to the ownership interest may be found on the page of the attached summary as per **Item #1**.

2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the Board and/or members are as per **Item #2**. Note: If assessments vary by the size or type of ownership interest, the assessment applicable to the ownership interest may be found as per **Item #2**.

3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Subject to the information available as of the date of preparation hereof:

If the ratio as per **Item #5** is equal to or exceeds 100%, the answer is "Yes" for the years shown.

If the ratio is less than 100%, the answer is "No".

If the ratios as per **Item #7** are equal to or exceed 100% over the next 5 years, the answer is "Yes".

If the ratios are less than 100%, the answer is "No".

4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

An assessment averaging the "Reserve Shortage" (if any) per unit would be necessary as per **Item #6**.

5) The board has reasonably determined that all major components are included in the reserve study and are included in its calculation.

6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the California Civil Code, the estimated amount required in the reserve fund at the end of the current budget year is as per **Item #4**, based in whole or in part on the last reserve study or update prepared as per **Item #8a**. The projected reserve fund cash balance at the end of the current budget year is as per **Item #4**, resulting in the percentage of reserve funding being as per **Item #4**. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is explained as per **Item #4**.

7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the California Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is as per **Item #7** and the projected reserve fund cash balance in each taking into account only assessments already approved and other known revenues, is as per **Item #7**, leaving the reserve at the percent funding as per **Item #7**. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years and the percent funding will be as per **Item #7**.

8) Loans outstanding, if any, due from the Association are detailed as per **Item #8c**.

9) Insurance carried by the Association is summarized as per **Item #9**.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer as of the date of preparation. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was as per Item #8b, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was as per Item #8b.

For the purposes of preparing this Summary Section 5570 (b) of the Civil Code states:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant Civil Code Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

Note: The information contained in this disclosure is a PROJECTION ONLY. Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more.

ANNUAL POLICY STATEMENT

1. PERSON DESIGNATED TO RECEIVE OFFICE COMMUNICATIONS TO ASSOCIATION:

Association Manager
c/o Bartlein & Company, Inc.
3944 State Street, Suite 200
Santa Barbara, CA 93105

2. NOTICE REGARDING SECONDARY ADDRESSES: Members have the right to submit to the Association a secondary address for purposes of delivering annual reports, annual policy notices and collection notices pursuant to Civil Code Section 4040(b).

3. LOCATION FOR POSTING OF GENERAL NOTICES: General notices will be mailed (or Emailed if authorized). If notices are to be posted, members will be notified as to the location prior to posting.

4. NOTICE OF MEMBER'S OPTION TO RECEIVE GENERAL NOTICES BY INDIVIDUAL DELIVERY: Pursuant to Civil Code Section 4045(b), a member has the right to request to receive general notices by individual delivery. The term "individual delivery" means delivery by one of the following methods: (a) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the books of the Association or (b) E-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery.

5. MINUTES & NAMES AVAILABLE: In accordance with Civil Code Section 4950(b), each year the Association is required to disclose that minutes for all Association or Directors' meetings, other than meetings in executive session, are available to all members. The cost, if any, of providing copies of the minutes is to be paid by the requester.

ANNUAL POLICY STATEMENT (Cont):

6. STATEMENT OF ASSESSMENT COLLECTION POLICIES (Required by Civil Code Section 5730):

NOTICE: ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

ANNUAL POLICY STATEMENT (Cont):

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments.

(Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)"

7. FHA CERTIFICATION: Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest

This common interest development **IS** a condominium project. The Association of this common interest development **IS NOT** certified by the Federal Housing Administration. It is not anticipated that the Association will seek FHA certification.

8. ASSOCIATION DISCIPLINE POLICY: The Association may take any and all disciplinary actions authorized by the Association's governing documents including, but not limited to, levying monetary penalties ("fines"). If a schedule of fines has been adopted it may be found at the end of this Policy Statement.

ANNUAL POLICY STATEMENT (Cont):

9. DELINQUENCY & LIEN POLICY: Unless otherwise stated all fees and assessments (including special assessments) are due on the first day of each month, in advance, and shall be delinquent 15 days after the due date. A late charge of 10% of the delinquent fee or assessment will be charged and added to the amount due. If fees, assessments, and/or late charges are unpaid at the end of any given month, a lien will be filed against the delinquent unit for the full amount due plus applicable interest, attorney fees, lien filing costs and other costs of collection. If the balance due is not paid within thirty (30) days after the lien is filed, the Association may take any and all actions permitted by law including, but not limited to, filing suit and/or foreclosing the lien.

10. VA CERTIFICATION: Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development **IS** a condominium project. The association of this common interest development **IS NOT** certified by the federal Department of Veterans Affairs. It is not anticipated that the Association will seek VA certification.

11. DISPUTE RESOLUTION PROCEDURES: In accordance with Civil Code Section 5900 et seq., the Association has adopted the following internal dispute resolution process to be followed by the Association and owners:

INTERNAL DISPUTE RESOLUTION PROCESS: The Association has adopted the procedures as per Section 5915 of the Civil Code.

ALTERNATIVE DISPUTE RESOLUTION ("ADR"): Each year the association is required to disclose that before an association or member files a lawsuit to enforce the governing documents, (other than for the collection of assessments), the parties must attempt to resolve the dispute by use of Alternative Dispute Resolution. "Failure of any member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

12: MODIFICATIONS REQUIRE PRIOR APPROVAL: Each year the Association is required by Section 4765 of the Civil Code to disclose that all modifications or alterations which alter the common area or the exterior appearance of any structure in any way, require prior written approval of the Board of Directors or a designated committee of the Board. In addition, any alterations to the structure of any unit or building or alterations which may impact another owner in any way also require prior written approval.

Written requests must be submitted to the Board or designated committee for approval which shall approve, conditionally approve, or reject the request in writing within a reasonable time, but in no event later than ninety days from date of receipt of the request. If denied, the requestor shall be given the opportunity to appeal the decision or ask for reconsideration of the Board at the Board's next regularly scheduled meeting.

ANNUAL POLICY STATEMENT (Cont):

13. MAILING ADDRESS FOR OVERNIGHT PAYMENT OF ASSESSMENTS: The mailing address for overnight payment of assessments is:

c/o Bartlein & Company, Inc.
3944 State Street, Suite 200
Santa Barbara, CA 93105

14. MEMBERSHIP LIST: Subject to the provisions of Civil Code Sections 5200-5240, a list of members is available to all members. The cost, if any, of providing copies of the members' list is to be paid by the requester.

15: ANNUAL INFORMATION TO BE PROVIDED BY OWNERS: Section 4041 (a) of the Civil Code says:

4041 (a) An owner of a separate interest shall, on an annual basis, provide written notice to the association of all of the following:

- 1) The address or addresses to which notices from the association are to be delivered.
 - 2) An alternate or secondary address to which notices from the association are to be delivered.
 - 3) The name and address of his or her legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the owner's extended absence from the separate interest.
 - 4) Whether the separate interest is owner-occupied, is rented out, if the parcel is developed but vacant, or if the parcel is undeveloped land.
- (b) The association shall solicit these annual notices of each owner and, at least 30 days prior to making its own required disclosure under Section 5300, shall enter the data into its books and records.
- (c) If an owner fails to provide the notices set forth in paragraphs (1) and (2) of subdivision (a), the property address shall be deemed to be the address to which notices are to be delivered.

16. SCHEDULE OF FINES: The Association's schedule of fines can be found on page 6 of the Association's "Resident Guidelines" as follows:

FEE SCHEDULE FOR FINES & PENALTIES

Normally, most residents are willing to cooperate and amend their behavior when it is pointed out to them that what they are doing is in violation of the Guidelines, CC&R's, Bylaws or Rules & Regulations of the Association. When it becomes necessary to fine or otherwise penalize offenders for repeated violations, the following schedule will apply for any violation of the following Association rules. This list is by no means exhaustive as any willful violation of the rules or guidelines is potentially subject to a fine:

- 1st violation, warning or fine up to \$50.00;
- 2nd violation, same offense: \$100.00;
- 3rd violation, same offense: \$100.00 and common facilities privileges may be revoked;
- For any exterior alteration without Board's pre-approval up to \$500.00;
- Continuing violation of same offense: fines up to \$50.00 per day may accrue until the violation is stopped or cured.

ANNUAL POLICY STATEMENT (Cont):

16. SCHEDULE OF FINES (Cont):

General

Any willful damage to the Common Area or activities that cause damage to Association property. Any activity that may jeopardize the safety and security of others.

Facilities (Gated pool area, exercise room)

Using the facilities during "closed" hours

Using the facilities without appropriate Facilities Pass

Number of guests exceeds allowable limit

Unsupervised underage children

Using glass

Allowing pets (except for service pets)

Unauthorized usage of facilities

Smoking

Parking, Storage, and Disposal

Parking RV, boat, jet skis, mobile home, trailer, storage container or large commercial truck in the development for more than 24 consecutive hours.

Parking along the red curbs, red zones, no-parking areas, or any uncurbed areas unless designated otherwise by signs (other than for pick-ups and drop-offs).

Excessive or improper storage on patio, balcony or in parking and common areas.

Misuse or abuses of trash/recycling areas.

Traffic

Failure to follow traffic signs; speeding.

Exterior Alteration

Failure to get pre-approval from Board for any and all exterior alterations or causing exterior damage to unit, buildings, or common area, etc. Board retains the right to demand removal of unauthorized alterations at Unit Owner's expense.

Pets: Loose pets in the common areas. Failure to clean up after your pet. Damage, injury, or undue disturbance caused by the pet.